



COMMUNITY REVOLVING LOAN FUND Program Plan

PROGRAM GOAL

The *Home Upgrade, Carbon Downgrade* (HU/CD) Community Revolving Loan Fund's goal is to provide low interest financing for property-owners to implement energy efficiency retrofits and/or to install renewable energy systems at their homes or businesses in Chula Vista to help reduce utility costs, while leveraging existing federal and state rebate opportunities and contributing to the City's environmental goals. Retrofit projects, which save at least 10 million BTU (equivalent to approximately 3,000 kWh or 100 therms) per \$1,000 spent and have a payback period of 5 years or less, will be prioritized. The program is funded by the American Recovery & Reinvestment Act under the auspices of the Department of Energy.

FINANCING STRUCTURE

The City will use up to \$390,000 of its Energy Efficiency & Conservation Block Grants to provide the initial capitalization for the revolving loan. Loan interest will be initially set between 0% - 3% (simple annual rate) with loan amounts ranging from \$2,500 - \$20,000. The City of Chula Vista reserves the right to change loan interest rates. Additional processing fees of \$180 for loan set-up and \$9.50/month for loan processing will also be applied to each loan. Loan recipients will be required to sign a Promissory Note and a lien (Deed of Trust) will be placed on the property which must be in second position or higher. The loan's amortization schedule will be structured by the City so that monthly repayments are approximately equivalent to the retrofit project's estimated utility cost savings. However, the maximum loan term will be capped at 10 years.

PARTICIPANT ELIGIBILITY

In order for a property-owner to be approved for a loan, all of the following conditions must be met:

1. The property is located within the City of Chula Vista
2. Property-owner is current on mortgage(s) and property taxes
3. Property-owner is not in bankruptcy and the property is not an asset in bankruptcy
4. Requested loan amount does not exceed 10% of the property value
5. Lien to value ratio (including the requested loan amount) does not exceed 100%

6. Improvements are for existing buildings and result in long-term reductions in energy use (see Eligible Improvements List)
7. Contractor(s) selected to perform the property improvement are on the City's *Home Upgrade, Carbon Downgrade* Eligible Contractor List and meet certain labor, quality assurance, and liability requirements

ELIGIBLE IMPROVEMENTS LIST

The following energy efficiency and renewable energy improvements are eligible for financing under the *Home Upgrade, Carbon Downgrade* (HU/CD) Community Revolving Loan Program:

ENERGY IMPROVEMENT	SPECIFICATIONS	REBATES AVAILABLE?	HISTORICAL REVIEW?
Attic Insulation	R-30 rating or greater	Yes	Exempt
Central Air Conditioning/Heat Pump	SEER 14 or greater	Yes	Exempt
Central Furnace (Natural Gas)	92% AFUE rating or greater	Yes	Exempt
Cool Roof	Flat Roof: 75% Reflectivity & Emissivity or greater Steep Roof: 40% Reflectivity & 75% Emissivity or greater	-----	Yes (if 45 years old)
Energy Upgrade CA - Whole Home Retrofits*	Basic Package or Advanced Package	Yes	Yes (if 45 years old)
Programmable Thermostat	ENERGY STAR-qualified model	-----	Exempt
Solar Hot Water*	SRCC OG-300 certified (single-family) SRCC OG-100 certified (multi-family & commercial)	Yes	Yes (if 45 years old)
Solar Photovoltaic (PV)**	System size can not exceed on-site energy demand	Yes	Yes (if 45 years old)
Tankless, On-Demand Water Heater	0.90 EF rating or greater	-----	Exempt
Wall Insulation	R-13 rating or greater	Yes	Exempt
Water Heater (Electric)	0.93 EF rating or greater (\geq 30-gallon capacity)	Yes	Exempt
Water Heater (Natural Gas)	0.62 EF rating or greater (\geq 30-gallon capacity)	Yes	Exempt
Whole House Fan	Must have existing central A/C system	Yes	Exempt
Windows	0.40 U value & Solar Heat Gain Coefficient (SHGC) or less	-----	Yes (if 45 years old)
Other Energy-Efficiency Measures	Reviewed on a case-by-case basis	-----	Yes (if 45 years old)

*Financing is not available for swimming pool-related energy improvements (such as solar heating or pool pumps)

**A minimum building energy efficiency level must be met before financing solar photovoltaic systems

ENERGY EFFICIENCY PREREQUISITES FOR SOLAR PV FINANCING

In order for property-owners to finance Solar PV systems using the Revolving Loan Fund, previous home energy efficiency improvements must have been completed or must be part of the proposed home improvement project. Specifically, property-owners will be required to demonstrate minimum energy efficiency performance either one of two ways:

- 1) Property-owners must participate in the statewide *Energy Upgrade California* Advanced Package (Performance Approach) program, which incorporates energy auditing and

testing, and must meet a minimum verified, energy efficiency improvement of 10% for the whole home.

OR

- 2) Property-owners must calculate their energy intensity by dividing their home's annual energy consumption (kWh) by the size of the home (sq ft) and their energy intensity must be at least 10% lower than the average home in Chula Vista.

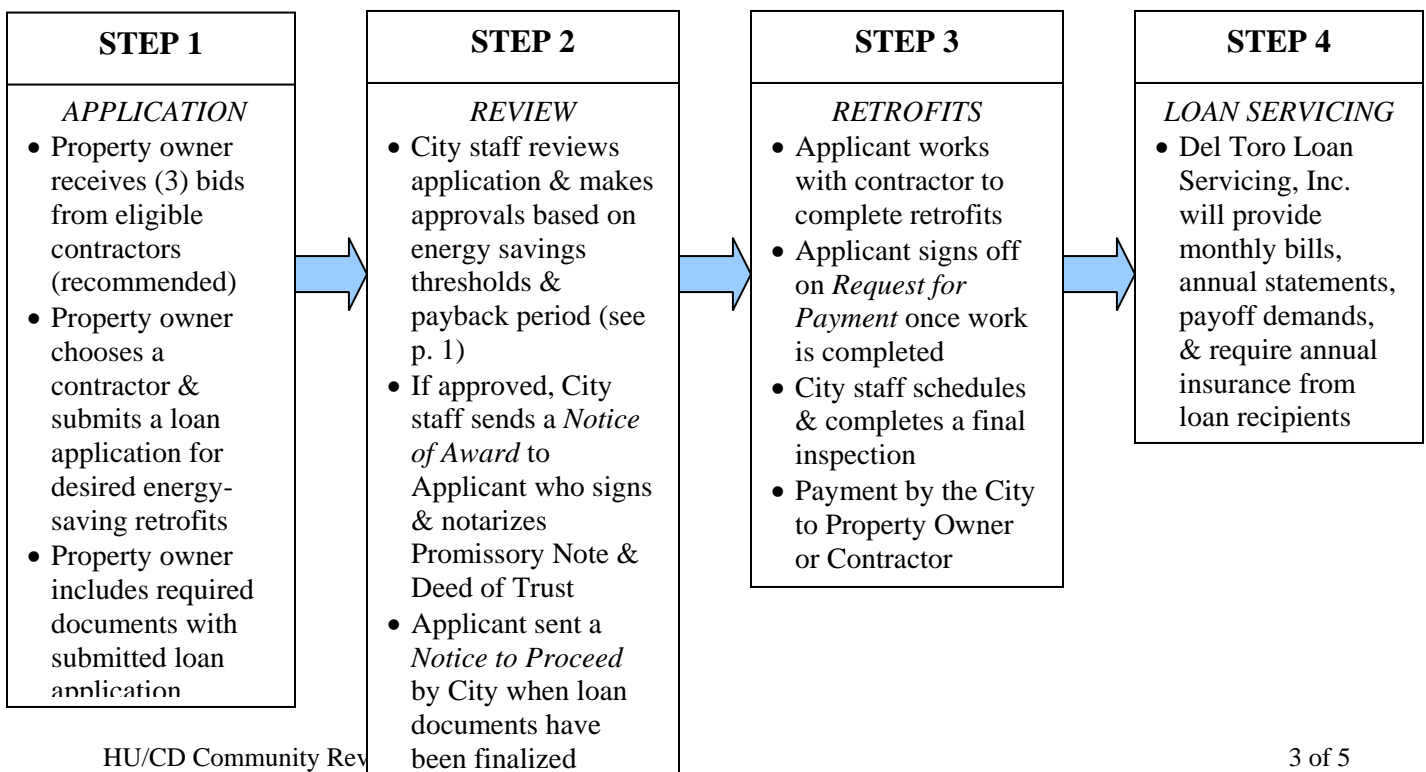
Additionally, only 25% of total program funds loaned out to date can be used for financing Solar PV. To request current program funding levels, please contact Cory Downs at 619-476-2442 or cdowns@ci.chula-vista.ca.us.

APPLICATION DOCUMENTS

Applications are available for download at www.chulavistaca.gov/goto/HUCD. Copies of the following documents must be submitted with an application:

- Completed & signed application
- (3) contractor bid estimates which include all retrofit measures (recommended)
- Copy of Deed of Trust
- Copy of most recent Mortgage Statement AND Property Tax Bill
- Evidence of Property Insurance (must be compliant with all policy requirements)
- Copy of completed SDG&E Online Energy Efficiency Survey
- Completed & signed SDG&E Authorization to Release Customer Info form

APPLICATION PROCESS



APPLICATION SUBMITTAL

Completed applications along with the necessary support documentation should be emailed to Conservation@ci.chula-vista.ca.us or mailed to:

Attn: HU/CD Community Revolving Loan Program
Conservation Division
276 Fourth Avenue
Chula Vista, CA 91910

RLF staff will contact the applicants to let them know if their application is approved, if further information is required, or if the program is not able to fund their improvements at this time. Once all loan funds have been appropriated, future applicants will be placed on a waiting list. Property-owners on the waiting list are also encouraged to investigate other borrowing opportunities through private financing institutions such as local credit unions and banks or through City-sponsored Property Assessed Clean Energy (PACE) financing. Property-owners whose applicant has not been approved by City staff are able to file an appeal to the Resource Conservation Commission for reconsideration of their loan application (an extra fee may apply).

ADDITIONAL LOAN TERMS & CONDITIONS

Property-owners must meet and agree to the following terms and conditions to be eligible to participate in the City-sponsored loan program:

- Loans are non-transferable, available until program funds are exhausted, and interest rates/processing fees are subject to change.
- Any utility, state, or federal efficiency rebates must be applied to the overall project costs and deducted from the requested financing amount.
- After a *Notice to Proceed* is issued by the City, the property-owner will have 90-days to complete the approved retrofit measures and submit the *Request for Payment*.
- Any construction debris must be properly disposed and recycled as outlined in the City of Chula Vista Municipal Code Section 8.25.095 and must comply with all other local, state, and federal regulations for proper waste disposal.
- It is the property-owner's responsibility to contract with the contractor and to assume responsibility for the work to be performed.
- In the event that the work is not performed to the satisfaction of the applicant, it is the property-owner's responsibility to resolve any dispute that may occur between the property-owner and the contractor.
- The *Home Upgrade, Carbon Downgrade* (HU/CD) Community Revolving Loan Program is not responsible for the contract that is entered into by both parties and the City of Chula Vista will not get involved in applicant and contractor disputes.
- The property-owner waives and releases the City of Chula Vista, and its program partners which include (but are not limited to) San Diego Gas & Electric, from any and all claims and causes of action arising out of the retrofit project.
- The property-owner shall defend, indemnify, protect, and hold harmless the City, its elected and appointed officers and employees, from and against all claims for damages, liability, cost, and expense arising out of or alleged by third parties to be the result of the negligent acts, errors or omissions or the willful misconduct of the property-owner.
- The property-owner grants the City of Chula Vista, or its representatives, the right to verify and inspect installed energy retrofit measures.

- The property-owner grants the City of Chula Vista, or its representatives, authorization to access their energy consumption data from San Diego Gas & Electric throughout the loan term.

PROGRAM CONTACTS

<i>Conservation Section</i> <i>Public Works Department</i> 619-409-3893 Phone 619-476-5310 Fax www.chulavistaca.gov/clean	Brendan Reed 619-409-5889 breed@ci.chula-vista.ca.us	Cory Downs 619-476-2442 cdowns@ci.chula-vista.ca.us
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